



UNITED STATES DEPARTMENT OF EDUCATION

Office of Federal Student Aid Programs
Office of the Chief Operating Officer

TO: Secretary Rod Paige
U.S. Secretary of Education

FROM: Theresa S. Shaw
Chief Operating Officer

RE: FSA Weekly Report

DATE: April 21, 2003

THE WEEK AHEAD

Regional Office Visits: On April 23, Terri Shaw is scheduled to visit FSA's Philadelphia regional office.

OPERATIONAL METRICS

Application Activities For Week Ending April 13, 2003: The Central Processing System ("CPS") has processed 5,006,335 applications for the 2003-2004 cycle, a 7.3% increase over the 2002-2003 cycle.

1-800-4-FED-AID: Year-to-date, FSA call centers have received 2,692,614 calls, a 2.1% increase over last year. Service levels have increased with 98.5% of calls completed, an 8.4% increase over FY2002-2003 and the average speed to answer reduced by 79.7% to 12 seconds.

Total FSA Default Recoveries: Total FSA Default Recoveries for the fiscal year reached \$853.6 million, up 20% year to date. Total non-consolidation recoveries reached \$682.9 million, up 38% year to date. Combined Recoveries from our private collection agency efforts reached \$512.2 million, up 27% year to date.

KEY ISSUES

IRS Match Discussion: On April 7, FSA and OPE met with OMB, Treasury, and the IRS to discuss draft legislation authorizing ED to verify FAFSA income with the IRS. At the moment, the draft legislation is with the Joint Committee on Taxation (JCT). OMB, ED and Treasury are working to schedule a meeting with JCT staff to discuss the legislation and answer any questions.

Common Origination and Disbursement (COD) Release 2.0: COD is the financial aid delivery system for the Federal Pell Grant and Direct Loan programs. On April 14, COD launched Released 2.0 and began processing for the 2003-2004 academic year. Major enhancements to the system include paper and electronic master promissory notes for PLUS borrowers; expanded authority for use of the multi-year master promissory note; and modifications to EDEXpress to permit import and export of records using the XML format.

Pell Operations, Reapportionment Request Approved for 2002-03 Pell Grant Funds: On April 10, OMB approved FSA's reapportionment request to shift \$1.013 billion in Pell Grant funds from the 2003-2004 year to cover 2002-2003 awards. This action was required due to an increase to \$4000 in the maximum Pell award for the 2002-2003 year and assures adequate funding for eligible students and timely payment to schools.

Sallie Mae: As a result of Sallie Mae's recent disclosure that a system problem caused over 800,000 borrowers to make inaccurate monthly payments, FSA is reviewing relevant lender policy decisions, operational guidance, program audit history, and the financial effect on borrowers. The FSA Ombudsmen has received many borrower requests for clarification on the issue and will continue to monitor developments. FSA and Sallie Mae are scheduled to meet on May 1, 2003 to discuss the impact on the Department and determine appropriate next steps.

ON THE HORIZON

NEW INITIATIVES

Regional Office Visits: On April 30, Terri Shaw is scheduled to visit FSA's San Francisco regional office. Since March, Terri has visited the Kansas City, Atlanta, Boston, and New York Regional Offices to meet with FSA staff.

COSUAA: On April 29, Terri Shaw, Kay Jacks, and Jeff Baker will be presenting at Coalition of State University Aid Administrators (COSUAA) Annual Conference in Santa Rosa, CA. Ms. Shaw and Ms. Jacks will present on FSA Current Initiatives and Future Plans for the PBO and Mr. Baker will provide a General Federal Update.

PREVIOUSLY REPORTED

2002 Annual Report: FSA is finalizing the 2002 Annual Report for the Department's approval and subsequent submission to Congress. Our target submission date to Congress is early May.

Customer Service for New Title IV Schools: Throughout April, the Dallas Case Management Team's New School Visit Committee will conduct a series of two-day workshops for Region VI schools that are new to Title IV. The purpose of the workshop is to give schools an opportunity to ask questions, voice concerns, and learn more about the Department of Education and Title IV.

FAFSA 2004-2005: The comment period for the draft 2004-2005 FAFSA will remain open until May 5 with final approval expected by July 22 as compared to October 7 last year.

Federal CIO Council – Components Subcommittee: On March 18, FSA was asked to lead an interagency team tasked with conducting a comparative analysis of component-based enterprise architecture systems in an effort to identify a model for Federal agencies. A white paper

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summarizing results of the analysis is being drafted and will be presented to the full Components Subcommittee by April 30.

CONTACT INFORMATION

Please contact Chris Greene at 377-4003 with any questions.